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SUBJECT: GOR ENFORCES NGO REGISTRATION DEADLINE

REF: MOSCOW 9565

Classified By: AMBASSADOR WILLIAM J. BURNS. REASONS: 1.4 (B) AND (D).

Summary

11. (C) Russian Federal Registration Service officials have clarified that foreign NGOs that have not been re-registered by October 18 will have to stop their external activities, but will be able to continue "internal operations." NGOs are hurrying to submit their paperwork, but according to registration service data and our own informal poll, very few have done so. Although some have benefitted from individual consultations with the Federal Registration Service, NGO representatives complain that they are being forced to prepare huge packages of "unnecessary documents," which can be filed only once a week. Those that have submitted successfully have usually had to correct minor technical problems identified by the registration service before applications are formally accepted. Ambassador continue to press senior officials to avoid any suspension of NGO external activities, given the complexities of the registration process. We are also urging US-based NGOs to submit their applications before the end of September. END SUMMARY.

September 20 Meeting with Zhafyarov

12. (C) In a September 20 meeting with the Mission, Federal Registration Service (FRS) Chief of the Directorate of Political Parties, Non-Governmental, Regional, and Other Organizations Aleksey Zhafyarov clarified comments made by FRS Director Movchan in an August 30 meeting with Ambassador (reftel). (In that meeting, Movchan had said those NGOs that make a good-faith effort to be registered by October 18 would be issued a voucher that would allow them to continue to operate beyond October 18 while their registration process continued. According to Zhafyarov, those NGOs not registered by October 18 would only be permitted to conduct "internal activities" until all of the registration requirements of the NGO law were met. By "internal activities," he meant operations necessary to keep the office running, like paying electricity bills and keeping staff on the payroll.

13. (C) Zhafyarov suggested that "no one in the Russian government" would actively attempt to shutter or close bank accounts of unregistered NGOs that continue operating after the October 18 deadline, but the FRS was in no position to offer written assurance to that effect. Zhafyarov added that, "of course," it was possible that landlords and banks might be uncomfortable working with unregistered NGOs. We

note that Zhafyarov had initially announced that NGOs would have to suspend activities at an AmCham forum September 14. His deputy Anatoliy Panchenko made similar statements in a separate public session with NGOs on September 19.

14. (C) Zhafyarov said he wanted to debunk the "myths" that if documents were rejected twice it would not be possible to apply again, and that no documents would be accepted after October 18. Neither are true, he said. The FRS will continue to accept applications after the October 18 deadline and has one month to check the documents and include the organization into the Registry but he said, in practice, within 2-7 days the organization could expect a call from the FRS to discuss the application documents.

15. (C) Zhafyarov mentioned that each foreign NGO was entitled to register one and only one branch or representative office in Russia, insisting that this is what the new NGO law requires, and challenged any applicant to raise the issue in court. He expressed his assurance that any court would side with the FRS interpretation, but would abide by any court decision to the contrary. According to Zhafyarov, representative offices and branches are allowed to open "small offices" in the regions, and with a power of attorney, sign lease agreements and be able to function in the regions, but they need to register with the local tax service as "special branch offices."

16. (C) Zhafyarov said a working group will be meeting next week to develop instructions on what kind of information has to be included in the annual/quarterly and periodic reports required under the new law. The working group will consist of representatives from the Public Chamber, Ella Pamfilov's Presidential Commission on Human Rights and Civil Society,

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and the Tax Service. He said their recommendations would be in place by mid- to late October.

17. (C) We reviewed Zhafyarov the process by which NGOs are registered in the U.S. Zhafyarov seemed satisfied with the information, and agreed that the FRS would, as part of its effort to clarify the registration process, begin to post on its website authoritative answers to questions it was receiving from NGOs. He stressed that it would be a good idea to put English translations of the NGO law, regulations, and forms on the FRS website to avoid confusion. Zhafyarov urged interested U.S. organizations to collect questions from NGO representatives and e-mail them to the FRS website.

September 21 One-On-One Sessions At FRS

18. (C) FRS has made some efforts to address NGO concerns about the difficulty in obtaining authoritative information. FRS now offers consultations three days a week and has also made staff available for Q&A sessions organized by others, such as AmCham. AmCham staff told us that only eight NGOs participated in the one-on-one sessions it organized at the FRS. They were somewhat disappointed at the lower-than-expected turnout.

19. (C) IRI told us on September 20 that it had planned to attend the session, but having received the application documents from their headquarters in the U.S., noticed a mistake and decided to fix it before submitting its application on September 25.

The Scorecard

10. (C) As of September 19, only 28 foreign NGOs had been re-registered out of approximately 500, and 98 had applied. NGOs such as Ford Foundation, AmCham, Human Rights Watch,

Carnegie Center, Amnesty International, and Doctors Without Borders still had not submitted their applications but expect to submit them shortly. Although some have benefitted from individual consultations with the Federal Registration Service, NGO representatives continue to complain that they are being forced to prepare huge packages of "unnecessary documents."

¶11. (C) The FRS's "clarification" that foreign NGOs would have to be registered by the deadline or suspend their programs caught many off guard. Several we have spoken to had been advised by FRS personnel that as long as their applications had been accepted by the deadline, they could continue working; therefore they assumed they could submit up until October 18. Those NGOs are now scrambling to submit their applications as soon as possible, since the FRS can take up to 30 days to render its decision. In canvassing 38 U.S.-based NGOs receiving USG funding, we found two -- International Rescue Committee (IRC) and Project Harmony -- whose applications have been accepted by the Federal Registration Service. Another 12 implementing U.S.Government-funded projects, among them NDI, IRI, ACIDI/VOCA and World Vision, intend to submit their applications by the end of September, as do AmCham, Ford Foundation, Carnegie Center, and Human Rights Watch. A handful of others expected to apply in October, closer to the deadline, when they received the documents from their headquarters necessary to complete their applications.

¶12. (C) Although the registration service has taken steps to be more transparent and helpful, such as agreeing to the one-on-one sessions, NGO representatives told us that frustrations with the FRS bureaucracy continued. Despite the expanded consultation hours, the FRS continues to accept applications only on Wednesdays during a three-hour period. IRC Country Director Amir Omanovich said IRC's application was meticulously reviewed by FRS staff when it was submitted; then returned for minor wording changes. These changes required the packet to be sent to IRC's New York headquarters via courier so it could be corrected, re-notarized and re-apostilled before being re-submitted. Kharborovsk-based Winrock International submitted its documents to the FRS via courier on September 13. A week later, the FRS called, saying the packet needed corrections and recommended that someone from Winrock make the seven-hour flight to Moscow to pick it up and then fly back to Moscow to re-submit it once corrections were made.

¶13. (C) Carnegie's Rose Gottemoeller told us that the Center's staff was confident their documents package would be

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approved, based on consultations with the FRS over the last several weeks. Carnegie will submit its documents this week, after finding and notarizing founding documents from the N.Y. archives, certifying death certificates of original board members, and proving that Carnegie has a D.C.-based parent organization. Gottemoeller was unaware of the possibility of a suspension of programming after October 18 which, she said would be a major blow to her organization. She noted that a consulting company "4 Business" was advertising assistance in completing the registration process for ten thousand Euros.

Comment

¶14. (C) Zhafyarov's interpretation of the law, which was buttressed by an "informational communique" issued by the FRS September 20, is less compromising than that offered the Ambassador by Movchan and would leave those foreign NGOs not registered by October 18 unable to continue with programs underway until formally registered by the FRS. (The communique also explicitly prohibits funding from non-registered foreign NGOs to Russian NGOs.) The FRS's

timing of its clarification is less than ideal. With the FRS allowed up to thirty days to review applications, NGOs that did not apply by September 19 face a greater likelihood of having to suspend their activities an FRS decision is not made by October 18, or if the FRS finds significant problems with the application during its review. As noted (septel), Ambassador raised this looming problem with Human Rights Ombudsman Vladimir Lukin September 22, underscoring that western reaction would view this as further GOR suppression of civil society. Lukin agreed to intervene if his office received a formal, written complaint from the affected NGOs which they may be unwilling to do, as they are leery of potential GOR attention to their individual cases. Ambassador will bring the FRS's interpretation to the attention of Presidential Commission on Human Rights and Civil Society Director Pamfilova and DFM Yakovenko the week of September 25

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